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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

DAVID A. STARAL, JR.

**CRIMINAL COMPLAINT**  
**CASE NUMBER:**  
**UNDER SEAL**

I, the undersigned complainant, being duly sworn on oath, state that the following is true and correct to the best of my knowledge and belief:

From in or around January 2013, until on or about May 20, 2014, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, DAVID A. STARAL, JR., defendant herein, devised and intended to devise and participated in a scheme to defraud, and for the purpose of executing such a scheme made a false and fraudulent representation concerning and in relation to a bankruptcy proceeding, in violation of Title 18, United States Code, Section 157(3).

From in or around February 2013, until in or around May 2013, in the Northern District of Illinois, Eastern Division, and elsewhere, DAVID A. STARAL, JR., defendant herein, devised and executed a scheme to defraud and to obtain money and property by means of material false and fraudulent pretenses, representations and promises, using interstate wire communications.

On or about February 6, 2013, in the Northern District of Illinois, Eastern Division, and elsewhere, DAVID A. STARAL, JR., defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted in interstate commerce by wire communication through Internet accounts held with Microsoft, certain writings, signs and signals, namely, an email to Individual C which indicated that STARAL agreed to a term sheet to purchase the Chicago Rush from the Arena Football League; in violation of Title 18, United States Code, Section 1343.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the facts contained in the Affidavit which is attached hereto and incorporated herein.

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Signature of Complainant  
A. WESLEY NEVENS  
Special Agent  
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

November 21, 2014  
Date

at Chicago, Illinois  
City and State

MICHAEL T. MASON, U.S. Magistrate Judge  
Name & Title of Judicial Officer

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Signature of Judicial Officer

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

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**AFFIDAVIT**

I, A. WESLEY NEVENS, being duly sworn, state as follows:

1. I am a Special Agent with the Federal Bureau of Investigation, and have been so employed for 4 years. My current responsibilities include the investigation of white collar crime, including mail, wire, bank, and bankruptcy fraud.

2. This affidavit is submitted in support of a criminal complaint alleging that DAVID A. STARAL JR. has violated Title 18, United States Code, Sections 157(3) and 1343. Because this affidavit is being submitted for the limited purpose of establishing probable cause in support of a criminal complaint charging STARAL with bankruptcy fraud and wire fraud, I have not included each and every fact known to me concerning this investigation. Instead, I have set forth only the facts that I believe are necessary to establish probable cause to believe that the defendant committed the offenses alleged in the complaint.

3. This affidavit is based on my personal knowledge, information provided to me by other law enforcement agents, my review of court and other subpoenaed records, interviews of witnesses, and my training and experience, among other things.

4. As set forth below, the FBI is conducting an investigation of STARAL, and the investigation has revealed that STARAL committed bankruptcy fraud in a

Chapter 7 bankruptcy proceeding in this district. The purpose of STARAL's scheme was to enable STARAL to discharge at least \$919,174 in unsecured debt, while concealing from his creditors and the bankruptcy trustee additional businesses with which STARAL was involved, income he had received prior to filing for bankruptcy, and at least two personal bank accounts that he owned and controlled at the time he filed for bankruptcy. Specifically, STARAL failed to disclose in his bankruptcy filings, among other things, his interest in an investment company called Star Julin Equity Partners, and testified falsely under oath in a bankruptcy proceeding that he was unemployed and had no occupation, when in fact he had just purchased, and was serving as the manager of, the Chicago Rush Arena Football League team.

5. The investigation of STARAL has also revealed that STARAL committed wire fraud in connection with his purchase and operation of the Chicago Rush Arena Football League team. Specifically, as set forth below, during February 2013 negotiations to purchase the Chicago Rush, STARAL falsely represented to the Commissioner of the Arena Football League that STARAL had a personal net worth of over \$5 million. In fact, STARAL's net worth was substantially less than \$5 million, and indeed, he had filed for bankruptcy in January 2013 and claimed to have a negative net worth. The purpose of STARAL's scheme was to enable him to purchase the Chicago Rush and benefit financially from ownership of the professional football team, while concealing that he did not have the financial ability to purchase and operate the team.

## **Chapter 7 Bankruptcy Proceedings Generally**

6. To begin a bankruptcy case, a bankruptcy petition has to be filed in the United States Bankruptcy Court. Persons who file a bankruptcy petition are referred to as “debtors” under federal bankruptcy law.

7. One type of bankruptcy case is a Chapter 7 bankruptcy. Chapter 7 of the Bankruptcy Code (Title 11, United States Code) provides that debtors can obtain a fresh financial start through the discharge of certain types of debt. A debtor who receives a discharge has no further legal obligation to pay any debt that is discharged.

8. A debtor who files a Chapter 7 bankruptcy petition is required by law to fully disclose any and all interests he might have in any type of asset, including all real and personal property, whether or not the asset is held in the debtor’s name, the name of another person for the benefit of the debtor, or held as collateral. The debtor is also required to disclose all liabilities and debts owed to creditors. The assets and liabilities of the debtor comprise what is called the debtor’s “bankruptcy estate.”

9. A debtor’s assets, liabilities, and other information are required to be disclosed in various “schedules” and a “statement of financial affairs.” The debtor is required to declare the accuracy of the schedules and statement of financial affairs under penalty of perjury. The schedules and statement of financial affairs are required to be filed with the Bankruptcy Court.

10. In a debtor's schedules and statement of financial affairs, a debtor is required to disclose, as relevant for purposes of this complaint:

- a. Checking, savings, or other financial accounts (Schedule B);
- b. Stock and interests in incorporated and unincorporated businesses (Schedule B);
- c. Interests in partnerships or joint ventures (Schedule B);
- d. Creditors holding unsecured nonpriority claims (Schedule F);
- e. Any increase or decrease in income reasonably anticipated to occur within the year of filing for bankruptcy (Schedule I);
- f. All businesses in which the debtor was an officer, director, or partner, or in which the debtor had a 5% ownership interest, within six years immediately preceding the commencement of the bankruptcy (Statement of Financial Affairs)

11. Filing a petition under Chapter 7 "automatically stays" most collection actions against the debtor or the debtor's property. The stay arises by operation of law, and requires no judicial action. As long as the stay is in effect, creditors generally may not initiate or continue lawsuits, wage garnishments, or even telephone calls demanding payments. The bankruptcy clerk gives notice of the bankruptcy case to all creditors whose names and addresses are provided by the debtor.

12. The debtor signs the bankruptcy petition, attesting under penalty of perjury that the information contained in the petition is true and correct.

13. Upon the filing of a Chapter 7 petition, the U.S. Trustee appoints a case trustee to administer the case and liquidate the debtor's nonexempt assets.

14. Pursuant to Title 11, United States Code, Section 341, following the filing of a Chapter 7 petition, the debtor is required to attend and participate in a creditors' meeting with the trustee and any creditors that wish to attend (the "§ 341 meeting"). At the creditors' meeting, the debtor is required to answer, under oath, questions asked by the trustee or creditors regarding his bankruptcy petition, schedules, and statement of financial affairs, and his assets and liabilities.

#### **STARAL's Previous Chapter 7 Bankruptcy**

15. STARAL was familiar with the requirements imposed upon him when filing for bankruptcy, as he had previously filed for Chapter 7 bankruptcy on June 26, 2002. In connection with that filing, on October 15, 2002, the bankruptcy court discharged approximately \$280,000 in debts belonging to STARAL, providing him with a fresh financial start.

#### **STARAL's Prior Theft Convictions and Restitution Order**

16. On or about April 29, 2009, STARAL pled guilty to theft in the Circuit Court of Cook County, Illinois. STARAL was sentenced to 4 years' probation and ordered to pay \$156,591 to Company A, the victim of his theft.

17. On August 3, 2011, STARAL pled guilty to a second theft charge in the Circuit Court of Cook County, for stealing from the same company from which he had previously been convicted of stealing, and was sentenced to 4 years' probation. His restitution obligation to Company A was increased to a total of \$250,000, which he was ordered to pay in \$5,000 monthly payments.

### **STARAL Steals \$39,000 from Individual A in February 2012**

18. Corporate records filed with the Illinois Secretary of State reflect that STARAL incorporated Eventmark LLC in Illinois on January 9, 2012. These records identify STARAL as the manager and agent for the company.

19. Individual A has provided the FBI with a copy of the Eventmark LLC agreement. This agreement identifies STARAL as the registered agent, and the only member and manager associated with the company. According to the LLC agreement, Eventmark LLC was “organized for the principal purpose of investing and ownership of El Hefe and Whisky Row hospitality concepts . . .” The LLC agreement also reflects that STARAL made capital contributions totaling \$275,000 to the company.

20. According to Individual A, STARAL told Individual A that he had personally invested \$500,000 into Riot Hospitality Group (“RHG”). He said the funds were to be used to open two bars/restaurants in the Chicago area, including the Whiskey Row hospitality concepts. STARAL told Individual A that he was selling some of his RHG ownership units to close friends, and said that if s/he purchased two units from STARAL, s/he would earn approximately \$3,000 per month from the revenues of the bars/restaurants.

21. According to additional records Individual A provided the FBI, on or about February 23, 2012, Individual A and STARAL entered into a subscription agreement pursuant to which Individual A purchased two units of Eventmark LLC



for \$39,000. STARAL and Individual A both signed the agreement. Individual A provided STARAL with a check in the amount of \$39,000.

22. According to bank records, STARAL opened up a bank account at Citibank in the name of Eventmark LLC on February 20, 2012. STARAL is the only signatory on the account. On February 22, 2012, \$500 was deposited into the account. On February 23, 2012, Individual A's check for \$39,000 was deposited into the account, raising the account balance to \$39,500. Over the next 30 days, STARAL used more than \$30,000 of Individual A's money to fund expenses and the bank account for a separate company STARAL owned and controlled called National Event Partners.<sup>1</sup> The Citibank account was closed in May 2012.

23. Following Individual A's investment, STARAL never provided Individual A with \$3000 per month, as he had promised, nor did he ever return to Individual A the \$39,000 principal s/he had invested with him to be used for Eventmark LLC, but which he converted to his own use and benefit.

### **STARAL Steals \$50,000 from Individual B in September 2012**

24. According to Individual B, STARAL told Individual B that he had a history of great success investing in the stock market and had run several successful businesses, leading him/her to believe that STARAL was a knowledgeable, successful and sophisticated investor. In September 2012, STARAL offered to invest money for Individual B, and told him/her that with a \$50,000

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<sup>1</sup> National Event Partners was a ticket brokerage company that provided tickets and VIP passes to various events, including sporting events. The company was not related to El Hefe or the Whiskey Row hospitality concepts.

investment, he could generate a return of \$2,000 to \$3,000 per month, and Individual B could have his/her money back anytime he/she wanted it. On or about September 20, 2012, in reliance on STARAL's promises, Individual B gave STARAL a check for \$50,000 to invest for Individual B.

25. On September 20, 2012, STARAL deposited Individual B's \$50,000 check into a Fidelity investment account STARAL had opened on September 19, 2012, the day before he deposited Individual B's check. No other funds were deposited into this account during the approximate two-month time period during which this account was open, with the exception of an \$87.79 transfer into the account on September 27, 2012 from another STARAL Fidelity account.

26. Between September 20, 2012, and September 26, 2012, STARAL traded Google and Priceline stock options with some of Individual B's money. STARAL made a profit of approximately \$3,000 on his trading during that time period.<sup>2</sup> On September 26, 2012, STARAL wired \$45,000 from the Fidelity account into a PNC bank account in his name, which he opened on September 24, 2012. On September 26 and September 27, 2012, STARAL used the \$45,000 on the following transactions: (1) he transferred \$4,215.40 to a Charles Schwab investment account in his name that was overdrawn by that amount; (2) he withdrew \$3,500 in cash; (3) he purchased a \$10,000 cashier's check made payable to Cook County Adult Probation for his criminal restitution obligations; (3) he transferred \$22,500 to an

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<sup>2</sup> STARAL initially made a profit of approximately \$6,000 trading Google call options. However, he then reinvested that money in Google put options and lost approximately \$6,000. He made approximately \$3,000 on Priceline call options.

Interactive Brokers investment account in his name;<sup>3</sup> and (4) he withdrew \$4,974.60.<sup>4</sup> After those transactions, the PNC account held a balance of \$25 on September 27, 2012. No subsequent deposits were made into the PNC account and it was closed on October 23, 2012.

27. After STARAL transferred the \$45,000 from the Fidelity account into the PNC account on September 26, 2012, he had approximately \$8,000 remaining in the Fidelity account. Of that money, on September 27, 2012 STARAL wired \$2,394.28 to Glenview State Bank in order to pay down a car loan he owed.<sup>5</sup> On September 27, 2012, STARAL wired the remaining account balance of \$5,590.66 in the Fidelity account to a Capital One Bank account in his name. Nearly all of that money was withdrawn from the Capital One Bank account via cash withdrawal within approximately two weeks of the \$5,590.66 transfer.

28. At no time did STARAL provide Individual B with any return at all, let alone returns of \$2000 to \$3000 per month, as he had promised. Moreover,

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<sup>3</sup> After transferring the \$22,250 into his Interactive Brokers account on September 27, 2012, STARAL began to trade, primarily trading options on technology companies. By the following day, the account was valued at \$11,459.85. By October 31, 2012, after additional trading, the account was valued at \$91.78. There were no cash deposits or withdrawals during the captioned time period.

<sup>4</sup> The government is attempting to verify if this final withdrawal was a wire transfer or cash withdrawal.

<sup>5</sup> On August 14, 2014, I interviewed STARAL at a residence in Kenosha, Wisconsin. During that interview, STARAL admitted that the September 27, 2012 wire of \$2,394.28 to Glenview State Bank was a payment on his car loan.

STARAL never returned to Individual B her \$50,000 principal investment, but instead converted it to his own use and benefit.

### **STARAL Forms Star Julin Equity Partners in November 2012**

29. During November 2012, approximately two months before STARAL filed for bankruptcy, STARAL and Individual A, a Chicago-area investment advisor, formed Star Julin Equity Partners. Individual A reported to the FBI that Star Julin was formed as an investment company, and STARAL and Individual A planned to use Individual A's contacts as an investment advisor to raise capital to purchase new companies and finance investment opportunities. According to Individual A, Individual A and STARAL were partners in this business.

### **STARAL'S Fraudulent Chapter 7 Bankruptcy Petition**

30. On January 7, 2013, STARAL filed a voluntary petition under Chapter 7 of the Bankruptcy Code, along with Schedules and a Statement of Financial Affairs, in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (*In re David Staral*, 13 B 585). That same day, STARAL also filed a signed declaration, attesting under penalty of perjury, that the information contained in his Schedules and Statement of Financial Affairs was true and accurate. STARAL stated in his Petition that he owned \$477,901 in assets,<sup>6</sup> and had incurred over \$1.357 million in liabilities, consisting primarily of mortgage and credit card debt and legal judgments entered against him.

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<sup>6</sup> Although STARAL claimed to own \$477,901 in assets, including a condominium and Jeep, virtually all of his assets were highly encumbered, leaving little money available for payment of debts.

31. Schedule B of STARAL's Petition required him to list "cash on hand." STARAL represented that he had \$50 in cash. Notwithstanding his representation that he only had \$50 in cash, on January 8, 2013, the day after STARAL filed for bankruptcy, \$2,500 was credited to a personal bank account in STARAL's name at TCF Bank from a money order purchased by STARAL at a currency exchange in Chicago.

32. Schedule B further required STARAL to list, among other things, his checking, savings or other financial accounts. STARAL indicated he had "None," when in fact he held personal bank accounts at TCF Bank and Capital One Bank. Specifically, subpoenaed bank records reveal that on December 28, 2012, just over a week before filing for bankruptcy, STARAL had opened a personal bank account at TCF Bank. According to bank records, the TCF account had received deposits totaling \$625 between December 28, 2012 and January 7, 2013, and carried a balance of \$40.52 on January 7, 2013, the day STARAL filed for bankruptcy. Bank records also reveal that STARAL opened the Capital One Bank account on December 31, 2011, and that the account held a balance of \$10 at the time of STARAL's bankruptcy filing.

33. When I interviewed STARAL on August 14, 2014, I reviewed portions of STARAL's January 7, 2013 bankruptcy petition with him. During the interview, I pointed out that Schedule B required STARAL to list his bank accounts, and that he had responded "None," despite the fact that he had held bank accounts at TCF

Bank and Capital One Bank at that time. In response, STARAL said that those accounts probably “fell through the cracks.”

34. Schedule I of STARAL’s Petition required him to describe his current income. In Schedule I, defendant STARAL claimed he presently earned no monthly income (“\$0.00”), was unemployed, and had received “no income [for the] last six months.” In fact, however, just four months before filing for bankruptcy, STARAL had received \$50,000 from Individual B, which he had largely used to pay personal expenses.

35. In addition, STARAL failed to disclose and/or accurately disclose in his Schedules and Statement of Financial Affairs several of his liabilities. For example, STARAL failed to disclose that he was subject to a restitution order in the amount of \$250,000 related to his 2009 and 2011 theft convictions in the Cook County Circuit Court. STARAL also failed to identify Individual A as one of his creditors in his Schedules and Statement of Financial Affairs. Although STARAL identified Individual B as a creditor, he falsely claimed he owed Individual B \$50,000 for “credit card/credit use,” when in fact he owed him/her \$50,000 plus interest for Individual B’s investment with STARAL.

36. Likewise, Question 18 of the Defendant’s Statement of Affairs required STARAL to “list the names . . . of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor . . . within six years immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity

securities within six years immediately preceding the commencement of this case.” In response to question 18, STARAL listed National Event Partners, Inc., and National Association of Medication Advancement, Inc., but he intentionally concealed Star Julin Equity Partners, which he had started just two months before filing for bankruptcy, and Eventmark LLC, the company Individual A had invested in with STARAL, and of which he was a managing member. STARAL also intentionally concealed his prior interest in FoodFunds, Inc.<sup>7</sup>

37. All of these lies were material, as they prevented the case trustee from properly administering STARAL’s bankruptcy estate. The restitution order and any payments made under the order, as well the debts and the nature of the debts he owed to Individuals A and B, were material to STARAL’s financial status and income at the time he filed for bankruptcy. Similarly, STARAL’s concealments of his bank accounts and his current and prior businesses prevented the U.S. Trustee’s Office, the case trustee, and creditors from conducting a proper inquiry into his assets and ability to pay creditors.

### **STARAL Defrauds the Arena Football League**

38. According to Individual A, one of the investment opportunities that STARAL had discussed with him/her when forming Star Julin Equity Partners was the purchase of the Chicago Rush, a football team in the Arena Football League (“AFL”).

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<sup>7</sup> According to business records filed with the Illinois Secretary of State, Foodfunds, Inc. was incorporated on December 28, 2006. The records identify STARAL as the president and agent of Foodfunds. Foodfunds was involuntarily dissolved on May 13, 2011.

39. I have learned from various interviews I have conducted and records I have reviewed that in approximately early February 2013, one month after filing for bankruptcy, STARAL began to negotiate with representatives of the AFL to purchase the Chicago Rush.

40. For example, on February 7, 2013, STARAL incorporated a new company called Star Rush Football, LLC, in Delaware. According to Star Rush Football LLC's Limited Liability Company Agreement, Star Rush was "organized for the principal purpose of acquiring, owning the Chicago Rush Arena Football team." The Agreement identified STARAL as the manager and 100% owner of Star Rush Football, with STARAL holding 10,000 units for consideration paid in the amount of \$10,000.

41. On February 8, 2013, STARAL entered into a Transition Agreement with the AFL and the prior owner of the Chicago Rush. As part of the Transition Agreement, the AFL and the prior owner terminated the prior owner's interest in the Rush, effective January 31, 2014. STARAL and the AFL simultaneously executed an Asset Purchase Agreement to purchase the assets of the Chicago Rush for the 2013 season.

42. Individual C, Commissioner of the AFL, was one of the individuals I interviewed regarding STARAL's February 2013 purchase of the Chicago Rush. According to Individual C, during the time the AFL was negotiating with STARAL regarding the purchase of the Chicago Rush, STARAL did not disclose that he had filed for bankruptcy one month earlier, nor did he disclose that he was then on



probation for prior felony theft convictions. In addition, STARAL represented in February 2013 to Individual C that he had a personal net worth of over \$5 million. Based on my review of STARAL's subpoenaed financial records and bankruptcy petition, that representation was materially false.

43. When I interviewed STARAL on August 14, 2014, he admitted that he had provided the AFL a personal balance sheet that falsely summarized his assets. STARAL also said that he listed certain cars on the balance sheet that he had never owned.

44. STARAL's misrepresentations regarding his finances and his concealments regarding his criminal history and recent bankruptcy filing were material because they were capable of influencing the AFL's decision to sell the Chicago Rush to STARAL. Indeed, Individual C represented that the AFL would not have agreed to sell the Chicago Rush to STARAL if league representatives had known that STARAL had misrepresented his assets and financial ability to purchase and operate the Chicago Rush, that he had recently filed for bankruptcy, or that he was on probation for two felony theft offenses.

45. STARAL negotiated with the AFL to purchase the Chicago Rush in person and by e-mail.<sup>8</sup> During the email negotiations, STARAL typically used the following e-mail address: dstaral@hotmail.com. According to information provided by Microsoft Corporation, Microsoft operates the MSN e-mail service, which includes e-mail accounts in the hotmail.com domain. According to Microsoft, none

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<sup>8</sup> The AFL's headquarters is in Chicago, Illinois.

of the e-mail servers on which MSN e-mail accounts information is stored were ever located in Illinois. As a result, any messages sent or received by an MSN account such as dstaral@hotmail.com were routed through Microsoft servers outside of Illinois.

46. On February 6, 2013, after STARAL's lawyer circulated by e-mail a term sheet reflecting the proposed purchase price and other key terms for STARAL's purchase of the Chicago Rush, STARAL, for the purpose of carrying out his scheme to defraud the AFL, sent an e-mail from his email account dstaral@hotmail.com to Individual C and STARAL's lawyer with the subject line "Re: Revised Term Sheet." The e-mail provided:

I have reviewed and agree to the terms attached herein.

I am in meetings until this afternoon. If something needs to be physically signed please let me know and I will attempt to make myself available.

Thank you,

David Staral

47. According to an article in Crain's Chicago Business that was published on February 8, 2013 about STARAL's purchase of the Rush, STARAL said, "There's going to be a lot of money coming out of my pockets going through this season, but you go into it knowing that." STARAL also stated, "I look forward to being a hands-on owner and working with the fans and other AFL owners to grow the Chicago Rush and the Rush brand. But we need a face on the franchise for it to get to the point where we can succeed."

48. According to bank records, on February 14, 2013, STARAL opened a business bank account at TCF Bank in the name of Star Rush Football LLC, with an address of 2004 W. Huron Street in Chicago, STARAL's home address. The business bank account agreement identified STARAL as the managing director of Star Rush Football LLC, and listed STARAL as the only authorized signer on the account. On February 25, 2013, Individual D wire-transferred \$50,000 from his bank account into the Star Rush TCF bank account.

49. I interviewed Individual D on July 31, 2014. According to Individual D, he met with STARAL on February 19, 2013 in Chicago. During that meeting, STARAL told Individual D that STARAL was looking to raise \$1 million for the Chicago Rush, and that STARAL was contributing \$500,000 of his own money as a way of "putting skin in the game." Based on my review of STARAL's bank records, STARAL had nowhere near \$500,000 during February 2013, and never contributed that amount to the Rush. In addition, when I interviewed STARAL on August 14, 2014, he admitted that he told Individual D he would put \$500,000 of his own money into the Chicago Rush, and admitted that he did not have \$500,000 to put into the Rush at that time.

50. On February 25, 2013, the same day that Individual D wired \$50,000 into the Star Rush TCF bank account, STARAL wrote a check for \$50,000 from that TCF account to Allstate Arena, which is where the Chicago Rush played their games during 2013. The memo section of that check provided: "Chicago Rush – 2013 Allstate Rent." In addition to the \$50,000 wire transfer into the account on

February 25, 2013, more than \$40,000 in additional deposits were credited to the Star Rush TCF account between February 25, 2013 and March 1, 2013. According to notations in the memo sections of checks deposited during that time period, a number of those checks were payments for tickets and parking passes to Chicago Rush games.

### **STARAL's Personal Bank Account at TCF Bank**

51. As set forth above, STARAL opened a personal bank account at TCF Bank on December 28, 2012, and failed to list that account in his January 7, 2013 bankruptcy petition. Between December 28, 2012 and March 1, 2013, more than \$9,000 in deposits were credited to the account. During that time period, the account's highest balance was over \$4,000 for several days in mid-February 2013. On March 1, 2013, the account held a balance of over \$1,000. The deposits in that account included cash deposits, a wire transfer from STARAL's brokerage account, a money order purchased by STARAL, and deposits from a company called Square, Inc. During my August 14, 2014 interview of STARAL, STARAL admitted that Square, Inc. was used to process payments for sales of Chicago Rush tickets, and that the February 2013 Square deposits totaling approximately \$5,000 into his personal TCF bank account were proceeds from sales of Chicago Rush tickets.

52. My review of STARAL's bank statements reveals that after proceeds from Chicago Rush ticket sales were deposited into his personal TCF Bank account, STARAL used some of the proceeds to cover his personal expenses. These expenses

included payments at Whole Foods, CVS Pharmacy, gas stations, and a payment on STARAL's car loan.

### **The § 341 Meeting on March 1, 2013**

53. On March 1, 2013, about three weeks after STARAL became the owner of the Chicago Rush, a bankruptcy case trustee appointed by the U.S. Trustee's Office conducted a § 341 creditors' meeting at which STARAL was sworn under oath and gave testimony. The creditors STARAL listed in his bankruptcy schedules and statement of financial affairs were notified of the meeting, and representatives of a number of the creditors attended the meeting. The § 341 meeting was recorded.

54. At the start of the meeting, the case trustee showed STARAL a copy of the signed declaration he filed on January 7, 2013, in which he acknowledged under the penalty of perjury that the information contained in his Schedules and Statement of Financial Affairs was true and accurate. STARAL confirmed that it was his signature on the declaration, and confirmed that he had read the bankruptcy petition, schedules and statement of financial affairs before they were filed, and stated that they were accurate. The case trustee then asked STARAL, "Is there anything you need to change on those documents that you know of today?" STARAL responded, "No." As STARAL knew, he had intentionally concealed his interest in Star Julin Equity Partners, concealed his interest in Eventmark LLC, concealed his prior interest in FoodFunds, Inc., failed to disclose Individual A as a creditor, concealed the income he had received from Individual A, falsely described the nature and amount of the debt he owed Individual B, concealed his ownership of

at least two personal bank accounts, and failed to disclose restitution obligations associated with his prior felony theft convictions.

55. STARAL was subsequently asked by a representative of a creditor if he was employed, and STARAL falsely responded, “No.” STARAL was also asked about the source of his income to pay any current bills, and he responded, “Friends, family.” STARAL was then asked if he had any occupation or other income from business, and he falsely responded, “No.” STARAL’s responses were materially false because at that time he was the owner and manager of Star Rush Football LLC and the Chicago Rush. STARAL also did not disclose at any time during the § 341 meeting: (1) that he had incorporated Star Rush Football LLC in February 2013, (2) that he was the 100% owner and manager of Star Rush Football LLC, (3) that he had entered into a Transition Agreement to purchase the Chicago Rush Football team in February 2013, (4) that he had received significant revenue as owner and manager of the Chicago Rush in the days leading up to the § 341 meeting, and (5) that some of the revenue from the sale of tickets to Chicago Rush football games was deposited into his personal bank account and used for personal expenses.

56. On or about May 6, 2013, the Chicago Sun-Times published an article entitled, “Arena football team owner’s record: convictions, lawsuits, financial trouble.” In that article, STARAL was identified as the new owner of the Chicago Rush, and as “a convicted thief, currently on probation. . . . [who] filed Chapter 7 bankruptcy, just months ago.”

57. On August 1, 2013, three months after the Sun-Times article, Individual A filed a request to receive notice of any filings in STARAL's bankruptcy proceeding. On August 15, 2013, Individual A filed a motion for time to file an objection to the discharge of STARAL's debts, which was later granted by the bankruptcy court.

58. On October 9, 2013, STARAL amended his Schedules and Statement of Financial Affairs. In his amended filing, STARAL disclosed some of the items that he had previously concealed in his January 2013 Petition, including that he was a part-owner of Star Julin Equity Partners, and his prior interest in FoodFunds, Inc. The amended filing also identified Individual A as a creditor.

59. On November 11, 2013, Individual A filed a complaint objecting to the discharge of STARAL's debts, alleging fraud and embezzlement.

60. On or about March 24, 2014, the United States Trustee for Region 11 filed a complaint in the United States Bankruptcy Court of the Northern District of Illinois objecting to the discharge of STARAL's debts. The complaint filed by the U.S. Trustee alleged that STARAL made knowingly false statements under oath in his January 7, 2013 bankruptcy petition and during the § 341 meeting.

61. On May 20, 2014, the bankruptcy court entered an order denying discharge of STARAL's debts.

## **CONCLUSION**

62. Based on the foregoing, there is probable cause to believe that DAVID STARAL, JR. violated (1) 18 U.S.C. § 157(3) by devising and intending to devise and

participating in a scheme to defraud, and for the purpose of executing such a scheme, made a false and fraudulent representation concerning and in relation to a bankruptcy proceeding, and (2) 18 U.S.C. § 1343 by devising and intending to devise a scheme to defraud, by transmitting and causing to be transmitted by means of wire in interstate commerce writings for the purpose of executing such scheme.

FURTHER AFFIANT SAYETH NOT.

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A. WESLEY NEVENS  
Special Agent, Federal Bureau of  
Investigation

SUBSCRIBED AND SWORN to before me on November 21st, 2014.

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MICHAEL T. MASON  
United States Magistrate Judge